**Rupert’s Land Issue**

Canada became a country in 1867—Ontario, Quebec, Nova Scotia, and New Brunswick became Canada's first four provinces under Confederation. The new Canadian government was immediately faced with the threat of American expansion northward.

In the late 1860s, American traders and settlers began considering possible expansion into the under-populated Canadian prairies. By the late 1860s the Americans felt that expansion was possible because of the strong economy that been established following the end of the Civil War. American investors were willing to invest in land, to build railways, and to develop resources in the west, and they believed in Manifest Destiny. The United States purchased Alaska in 1867 and had been forming new states and territories over the continent, but still within what was regarded as American territory. The Americans also had a grudge against Britain because of its support of the Southern States in the Civil War and saw expansion into Canada as a way of acting on that grudge.

Canada requested help from the Hudson's Bay Company to prevent American expansion. Before confederation, negotiations had begun to buy Hudson's Bay Company lands to the north and west of Canada (now Manitoba). The governments of Britain and Canada believed they could prevent American expansion if they owned the Hudson's Bay Company land.

The Hudson's Bay Company, for its part, was having difficulty controlling its territories and was becoming more involved in government than fur trade as settlers and rival fur trading companies moved into the land. Furthermore, in 1863 the International Financial Society had bought controlling interest in the Hudson's Bay Company and became more interested in real estate than furs. By 1870 the demand for silk hats in Europe drove done the price of beaver pelts. The Hudson's Bay Company was ready and agreeable to the land sale.

Also playing a key role in this transaction was Canada's wish to expand westward and link with its western colony of British Columbia. Politicians and businessmen were also interested in building a railroad 'from sea to sea' that would join provinces and colonies and create a larger country. Politicians saw many benefits: securing the prairie area from American expansion; increased settlement west by British and Canadian settlers; ease of protection for settlers; and ease in movement of goods to name but a few.

In 1870, the Canadian government and the Hudson's Bay Company entered into a land sale agreement: Canada would buy Rupert's Land for approximately $1,500,000. Rupert's Land was approximately 10 times the size of what was then Canada. As part of the purchase agreement, Canada promised the Hudson's Bay Company one twentieth of the land within the so-called fertile belt of its former area. The Temporary Government Act of 1869 established guidelines for a temporary government of the new North West Territories to be administered by a federally-appointed lieutenant governor and council. The North-West Territories Act of 1870 laid out conditions for a transfer of power to territorial government as population in the area grew.

Answer on a separate sheet. Use the title Rupert’s Land Purchase.

1. Explain Manifest Destiny.
2. Explain the reasons the government of Canada needed Rupert’s Land?
3. What were the issues facing the HBC during this period?
4. In your opinion, what are some of the problems facing the government of Canada after they purchase Rupert’s Land? Think hard about this.